

MONTANA LEGISLATIVE HISTORY

Chapter 397 19 95

Bill H _____ S 407

Original bill & history 4 c

H. Committee on Taxation

Hearing Date(s) 3/22 4 c

3/30 1 c

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Date Out _____ c

S. Committee on Taxation

Hearing Date(s) 3/7 4 c

3/8 4 c

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_____ c

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

SB 407 INTRODUCED BY SWYSGOOD, ET AL.

ESTABLISH VALUE OF INDUSTRIAL GARNETS AND ASSOCIATED
BYPRODUCTS FOR NET PROCEEDS PROPERTY TAX PURPOSES AND
FOR RESOURCE INDEMNITY TRUST TAX PURPOSES

2/16	INTRODUCED		
2/16	REFERRED TO TAXATION		
2/16	FISCAL NOTE REQUESTED		
2/16	FIRST READING		
2/18	FISCAL NOTE RECEIVED		
2/18	FISCAL NOTE PRINTED		
3/07	HEARING		
3/09	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/11	2ND READING PASSED	39	0
3/13	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
3/14	FIRST READING		
3/14	REFERRED TO TAXATION		
3/22	HEARING		
3/30	COMMITTEE REPORT—BILL CONCURRED		
4/03	2ND READING CONCURRED	95	5
4/04	3RD READING CONCURRED	94	4
	RETURNED TO SENATE		
4/06	SIGNED BY PRESIDENT		
4/06	SIGNED BY SPEAKER		
4/07	TRANSMITTED TO GOVERNOR		
4/12	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 397		
	EFFECTIVE DATE: 04/12/95		

SB 408 INTRODUCED BY SPRAGUE, ET AL.

PROVIDE THAT STATE LOTTERY DIRECTOR MAY ENTER INTO CONTRACTS
FOR MATERIALS, EQUIPMENT, SUPPLIES, AND SERVICES
BY REQUEST OF THE GOVERNOR

2/16	INTRODUCED		
2/16	FIRST READING		
2/16	REFERRED TO BUSINESS & INDUSTRY		
2/16	FISCAL NOTE REQUESTED		
2/27	FISCAL NOTE RECEIVED		
2/27	FISCAL NOTE PRINTED		
2/28	HEARING		
3/01	COMMITTEE REPORT—BILL PASSED AS AMENDED		
3/02	2ND READING PASSED	49	0
3/03	3RD READING PASSED	48	1
	TRANSMITTED TO HOUSE		
3/04	FIRST READING		
3/04	REFERRED TO BUSINESS & LABOR		
3/15	HEARING		
3/16	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/24	2ND READING CONCURRED	72	24
3/25	3RD READING CONCURRED	69	30
	RETURNED TO SENATE WITH AMENDMENTS		
3/30	2ND READING AMENDMENTS CONCURRED	50	0
3/31	3RD READING AMENDMENTS CONCURRED	49	0
4/04	SIGNED BY PRESIDENT		
4/05	SIGNED BY SPEAKER		
4/06	TRANSMITTED TO GOVERNOR		

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392 (<i>Senate Bill No. 295; Jacobson</i>) AN ACT ESTABLISHING CRITERIA FOR THE ISSUANCE OF SPECIAL PARKING PERMITS; LIMITING THE USE OF SPECIAL PARKING PLACES; LIMITING THE TERM OF A HANDICAP PARKING PERMIT TO A MAXIMUM PERIOD OF 3 YEARS; AND AMENDING SECTIONS 49-4-301, 49-4-302, AND 49-4-305, MCA.	1413
393 (<i>Senate Bill No. 297; Doherty</i>) AN ACT CLARIFYING THE OFFENSES OF FAILING TO CARRY AN APPROVED INSURANCE CARD IN A MOTOR VEHICLE AND FAILING TO EXHIBIT THE INSURANCE CARD UPON DEMAND; PROVIDING THAT A PERSON CONVICTED OF ONE OF THOSE OFFENSES MUST BE ASSESSED 5 POINTS UNDER THE HABITUAL TRAFFIC OFFENDER LAW; AND AMENDING SECTIONS 61-6-301, 61-6-302, 61-6-304, AND 61-11-203, MCA.	1416
394 (<i>Senate Bill No. 353; Halligan</i>) AN ACT GENERALLY REVISING JUDICIAL PROCEDURES; PROVIDING FOR APPOINTMENT OF A NONATTORNEY AS GUARDIAN AD LITEM IN A CASE INVOLVING SUPPORT, CUSTODY, AND VISITATION; ALLOWING DISTRICT COURT JUDGES TO APPOINT JUDGES PRO TEMPORE OR SPECIAL MASTERS TO CONDUCT PRELIMINARY, NONDISPOSITIVE PROCEEDINGS IN CRIMINAL CASES; PROVIDING FOR THE COSTS OF A JUDGE PRO TEMPORE OR SPECIAL MASTER TO BE PAID BY A CONVICTED DEFENDANT; AMENDING SECTIONS 3-5-113, 3-5-116, 40-4-205, AND 46-18-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.	1419
395 (<i>Senate Bill No. 373; Foster</i>) AN ACT ESTABLISHING CRITERIA FOR THE ISSUANCE OF BONDS FOR METAL MINE RECLAMATION ACTIVITIES; AND AMENDING SECTION 82-4-338, MCA.	1424
396 (<i>Senate Bill No. 401; Christiaens</i>) AN ACT REQUIRING THAT CORONERS, HEALTH CARE FACILITIES, AND HEALTH CARE PROVIDERS INFORM MORTUARY PERSONNEL IF A DECEASED INDIVIDUAL HAD AN INFECTIOUS DISEASE AT THE TIME OF DEATH; AND AMENDING SECTION 50-16-530, MCA.	1425
397 (<i>Senate Bill No. 407; Swysgood</i>) AN ACT ESTABLISHING THE VALUE OF INDUSTRIAL GARNETS AND ASSOCIATED BYPRODUCTS FOR NET PROCEEDS PROPERTY TAX PURPOSES AND FOR RESOURCE INDEMNITY TRUST TAX PURPOSES; EXEMPTING 1,000 TONS OF ROUGHER GARNET CONCENTRATE, UNDER CERTAIN CONDITIONS, FROM THE NET PROCEEDS TAX; ESTABLISHING A SPECIFIC RESOURCE INDEMNITY TRUST TAX RATE FOR INDUSTRIAL GARNETS AND ASSOCIATED BYPRODUCTS; AMENDING SECTIONS 15-6-131, 15-8-111, 15-23-103, 15-23-106, 15-23-115, 15-23-502, 15-23-503, 15-23-521, 15-38-103, AND 15-38-104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE.	1426
398 (<i>Senate Bill No. 416; Swysgood</i>) AN ACT GENERALLY REVISING THE LAWS GOVERNING CERTIFICATE OF NEED FOR HEALTH CARE FACILITIES; REMOVING BATCHING AND CHALLENGE PERIODS; REMOVING CERTAIN FUNCTIONS FROM CERTIFICATE OF NEED; REVISING APPLICATION, REVIEW, AND APPEAL PROCEDURES; CONTINGENTLY REPEALING THE CERTIFICATE OF NEED PROGRAM; AMENDING SECTIONS 20-7-436, 33-31-111, 33-31-203, 33-31-221, 50-4-102, 50-5-101, 50-5-207, 50-5-301, 50-5-302, 50-5-304, 50-5-306, AND 50-5-310, MCA; REPEALING SECTIONS 50-4-311, 50-5-301, 50-5-302, 50-5-304, 50-5-305, 50-5-306, 50-5-307, 50-5-308, 50-5-309, 50-5-310, AND 50-5-316, MCA; AND PROVIDING EFFECTIVE DATES.	1434

SENATE BILL NO. 407

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING THE VALUE OF INDUSTRIAL GARNETS AND ASSOCIATED BYPRODUCTS FOR NET PROCEEDS PROPERTY TAX PURPOSES AND FOR RESOURCE INDEMNITY TRUST TAX PURPOSES; ESTABLISHING A SPECIFIC RESOURCE INDEMNITY TRUST TAX RATE FOR INDUSTRIAL GARNETS AND ASSOCIATED BYPRODUCTS; AMENDING SECTIONS 15-6-131, 15-8-111, 15-23-103, 15-23-106, 15-23-115, 15-23-502, 15-23-503, 15-23-521, 15-38-103, AND 15-38-104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Net proceeds for industrial garnets and byproducts -- statement -- value. (1) A statement of gross yield and value, required in 15-23-502, that is filed by a producer of industrial garnets and associated byproducts must contain the following:

(a) the name and address of the owner, lessee, or operator of the mine, together with the name and address of any person owning or claiming a royalty interest in the mineral product of the mine or the proceeds derived from the sale of the mineral product, and the amount or amounts paid or yielded as royalty to each person during the period covered by the statement;

(b) the description and location of the mine;

(c)(i) the number of tons of rougher garnet concentrate produced by initial concentration and sold from the mine during the period covered by the statement; and

(ii) the gross revenue received from any byproduct produced and sold as a result of the garnet mining operation.

(d) the amount and character of the industrial garnet and byproducts from the mine and the amount of the industrial garnets measured in tons and associated byproducts measured in dollars yielded to the person engaged in mining and to each royalty holder, if any, during the period covered by the statement; and

(e) the gross yield or value in dollars and cents.

(2) (a) For the purposes of this section, the gross yield or value of industrial garnets is determined by multiplying the number of tons of rougher garnet concentrate reported under subsection (1)(c)(i) by:

(i) for the tax year beginning January 1, 1995, \$20; and

(ii) for the tax years beginning January 1, 1996, and thereafter, the product obtained by multiplying \$20 by the quotient of the PCE for the first quarter of the year previous to the tax year for which the net proceed value is being calculated, divided by the PCE for the first quarter of the 1991 tax year.

(b) "PCE" means the implicit price deflator for personal consumption expenditures as published quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of commerce.

(c) The gross yield or value of the byproducts produced and sold as a result of industrial garnet production is determined by multiplying the gross revenue reported under subsection (1)(c)(ii) by 30%.

NEW SECTION. Section 2. Gross value of product for industrial garnets and byproducts. As used in this part, when referring to industrial garnets and associated byproducts, "gross value of product" is the gross yield or value as determined in [section 1(2)].

Section 3. Section 15-6-131, MCA, is amended to read:

"15-6-131. Class one property -- description -- taxable percentage. (1) Class one property includes the annual net proceeds of all mines and mining claims except coal and metal mines.

(2) Class one property is taxed at 100% of its annual net proceeds after deducting the expenses specified and allowed by 15-23-503 or, for talc, as provided in 15-23-515 or, for vermiculite, as provided in 15-23-516 or, for limestone, as provided in 15-23-517 or, for industrial garnets and associated byproducts, as provided in [section 1]."

Section 4. Section 15-8-111, MCA, is amended to read:

"15-8-111. Assessment -- market value standard -- exceptions. (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) If the department uses construction cost as one approximation of market value, the department shall fully consider reduction in value caused by depreciation, whether through physical depreciation, functional obsolescence, or economic obsolescence.

(c) Except as provided in subsection (3), the market value of all motor trucks; agricultural tools, implements, and machinery; and vehicles of all kinds is the average wholesale value shown in national appraisal guides and manuals or the value of the vehicle before reconditioning and profit margin. The department shall prepare valuation schedules showing the average wholesale value when a national appraisal guide does not exist.

(3) The department may not adopt a lower or different standard of value from market value in making the official assessment and appraisal of the value of property, except:

(a) the wholesale value for agricultural implements and machinery is the loan value as shown in the Official Guide, Tractor and Farm Equipment, published by the national farm and power equipment dealers association, St. Louis, Missouri;

(b) for agricultural implements and machinery not listed in the official guide, the department shall prepare a supplemental manual in which the values reflect the same depreciation as those found in the official guide; and

(c) as otherwise authorized in Title 15 and Title 61.

(4) For purposes of taxation, assessed value is the same as appraised value.

(5) The taxable value for all property is the percentage of market or assessed value established for each class of property.

(6) The assessed value of properties in 15-6-131 through 15-6-133 is as follows:

(a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515, 15-23-516, ~~or~~ 15-23-517, or [section 1].

(b) Properties in 15-6-132, under class two, are assessed at 100% of the annual gross proceeds.

(c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are valued as agricultural lands for tax purposes.

(d) Properties in 15-6-143, under class ten, are assessed at 100% of the forest productivity value of the land when valued as forest land.

(7) Land and the improvements on the land are separately assessed when any of the following conditions occur:

- (a) ownership of the improvements is different from ownership of the land;
- (b) the taxpayer makes a written request; or
- (c) the land is outside an incorporated city or town."

Section 5. Section 15-23-103, MCA, is amended to read:

"15-23-103. Due date of reports and returns -- extensions. (1) Except as provided in subsection (2) and 15-23-602, each report or return described in 15-23-301, 15-23-402, 15-23-502, 15-23-701, or 15-23-517 must be delivered to the department on or before March 31 each year.

(2) Each report or return for a natural gas or oil pipeline described in 15-23-301 must be delivered to the department on or before April 15 each year.

(3) Each report described in 15-23-201, 15-23-212, 15-23-515, ~~or 15-23-516~~, or [section 1] must be delivered to the department before April 15 each year.

(4) The department may for good cause extend the time for filing a return or report for not more than 30 days."

Section 6. Section 15-23-106, MCA, is amended to read:

"15-23-106. Report to the counties. (1) On or before July 1, the department shall prepare for each county a statement listing:

(a) the assessed value of railroad property, as determined under 15-23-202, apportioned to the county, including the length or other description of the property;

(b) the assessed value of utility property, as determined under 15-23-303, apportioned to the county, including the length or other description of the property;

(c) the assessed value of property of airline companies, as determined under 15-23-402, apportioned to the county; 90% of the value of the property of airline companies apportioned to any county by reason of a state airport being located in the county must be stated separately from the remaining assessed value of the property of airline companies apportioned to the county;

(d) the assessed value of the net proceeds and royalties from mines and oil and gas wells in the county, as determined under 15-23-503, 15-23-505, 15-23-515, ~~15-23-516~~, through 15-23-517, [section 1]

1) 15-23-603, and 15-23-605; and

(e) the assessed value of the gross proceeds from coal mines, as described in 15-23-701.

(2) The department shall enter the reported assessed values in the property tax record for the county."

Section 7. Section 15-23-115, MCA, is amended to read:

"15-23-115. Interest. If the department determines that a taxpayer has incorrectly reported a value under 15-23-502, 15-23-515, 15-23-516, 15-23-517, [section 1], 15-23-602, 15-23-701, or 15-23-802 and if an additional tax is due, there must be added to the tax until paid in full interest at the rate of 1% a month or fraction of a month from the date the original tax was due and payable. A taxpayer subject to imposition of interest pursuant to this section is not subject to the penalty and interest provisions contained in 15-16-102."

Section 8. Section 15-23-502, MCA, is amended to read:

"15-23-502. Net proceeds tax -- statement of yield. Every person engaged in mining, extracting, or producing from any quartz vein or lode, placer claim, dump or tailings, or other place or source whatever precious stones or gems, vermiculite, bentonite, or other valuable mineral, except coal and metals, must on or before March 31 each year make out a statement of the gross yield and value of the above-named metals or minerals from each mine owned or worked by the person during the year preceding January 1 of the year in which the statement is made. The statement must be in the form prescribed by the department of revenue and must be verified by the oath of the person completing the statement or the manager, superintendent, agent, president, or vice-president, if a corporation, association, or partnership, and must be delivered to the department on or before March 31. Except as provided in 15-23-515, ~~15-23-516, and through~~ 15-23-517, and [section 1], the statement must show the following:

(1) the name and address of the owner or lessee or operator of the mine, together with the names and addresses of any and all persons owning or claiming any royalty interest in the mineral product of the mine or the proceeds derived from the sale of products, and the amount or amounts paid or yielded as royalty to each of the persons during the period covered by the statement;

(2) the description and location of the mine;

(3) the number of tons of ore or other mineral products or deposits extracted, produced, and

1 treated or sold from the mine during the period covered by the statement;

2 (4) the amount and character of the ores, mineral products, or deposits and the yield of the ores,
3 mineral products, or deposits from the mine in constituents of commercial value; that is, commercially
4 valuable constituents of the ores, mineral products, or deposits, measured by standard units of
5 measurement, yielded to the person engaged in mining and to each royalty holder, if any, during the period
6 covered by the statement;

7 (5) the gross yield or value in dollars and cents;

8 (6) cost of extracting from the mine;

9 (7) cost of transporting to place of reduction or sale;

10 (8) cost of reduction or sale;

11 (9) cost of marketing the product and conversion of the product into money;

12 (10) cost of construction, repairs, and betterments of mines and cost of repairs and replacements
13 of reduction works;

14 (11) the assessed valuation of reduction works for the calendar year for which the return is made;

15 (12) cost of fire insurance, workers' compensation insurance, boiler and machinery insurance, and
16 public liability insurance paid for the mine, reduction works, or beneficiation process;

17 (13) cost of welfare and retirement fund payments provided for in wage contracts;

18 (14) cost of testing extracted minerals for the purpose of satisfying federal or state health and
19 safety laws or regulations, the cost of plant security in Montana, the cost of assaying and sampling the
20 extracted minerals, and the costs incurred in Montana for engineering and geological services for existing
21 mining operations but not including any services beyond the stage of reduction and beneficiation of the
22 minerals; and

23 (15) cost of mine reclamation."
24

25 **Section 9.** Section 15-23-503, MCA, is amended to read:

26 "15-23-503. **Net proceeds -- how computed.** (1) The department of revenue shall calculate from
27 the returns the gross product yielded from a mine and its gross value for the year covered by the statement
28 and shall calculate and compute the net proceeds of the mine yielded to the person engaged in mining.
29 Except as provided in 15-23-515, ~~15-23-516, and through~~ 15-23-517, and [section 1], net proceeds must
30 be determined by subtracting from the value of the gross product of the mine the following:

1 (a) all royalty paid or apportioned in cash or in kind by the person engaged in mining;

2 (b) all money expended for necessary labor, machinery, and supplies needed and used in the mining
3 operations and developments;

4 (c) all money expended for improvements, repairs, and betterments necessary in and about the
5 working of the mine, except as provided in this section;

6 (d) all money expended for costs of repairs and replacements of the milling and reduction works
7 used in connection with the mine;

8 (e) depreciation in the sum of 6% of the assessed valuation of the milling and reduction works for
9 the calendar year for which the return is made;

10 (f) all money actually expended for transporting the ores and mineral products or deposits from the
11 mines to the mill or reduction works or to the place of sale and for extracting the metals and minerals and
12 for marketing the product and the conversion of the product into money;

13 (g) all money expended for insurance and welfare and retirement costs reported in the statement
14 required in 15-23-502;

15 (h) all money expended for necessary labor, equipment, and supplies for testing minerals extracted
16 to satisfy federal or state health and safety laws or regulations, for plant security in Montana, for assaying
17 and sampling the extracted minerals, for the cost of reclamation at the site of the mine, and for engineering
18 and geological services conducted in Montana for existing mining operations but not including services
19 beyond the stage of reduction and beneficiation of the minerals.

20 (2) In computing the deductions allowable for repairs, improvements, and betterments to the mine,
21 the department shall allow 10% of the cost each year for a period of 10 years.

22 (3) Money invested in mines or improvements may not be allowed as a deduction unless all
23 machinery, equipment, and buildings represented by the money are returned to the county in which the
24 mine is located for assessment purposes at the level of assessment of all other property in the county.

25 (4) Money invested in the mines and improvements during any year except the year for which the
26 statement is made and except as provided in this section may not be included in the expenditures, and the
27 expenditures may not include the salary or any portion of the salary of any person or officer not actually
28 engaged in the working of the mine or superintending the management of the mine."
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Section 10. Section 15-23-521, MCA, is amended to read:

1 **"15-23-521. Examination of records by department.** The department of revenue may at any time
2 examine the records of any person specified in this part as the records may pertain to the yield of ore or
3 mineral products or deposit in order to verify the statements made by the person. If from the examination
4 or from other information, the department finds any statement or any material part of a statement willfully
5 false or fraudulent, the department must assess in the same manner as provided for in 15-23-503,
6 15-23-515, 15-23-516, ~~or~~ 15-23-517, or [section 1]."

7
8 **Section 11.** Section 15-38-103, MCA, is amended to read:

9 **"15-38-103. Definitions.** As used in this chapter, the following definitions apply:

10 (1) "Department" means department of revenue.

11 (2) "Gross value of product" means, except as provided in 15-38-125 through 15-38-128 and
12 [section 2], the market value of any merchantable mineral extracted or produced during the taxable year.

13 (3) "Mineral" means any precious stones or gems, gold, silver, copper, coal, lead, petroleum,
14 natural gas, oil, uranium, or other nonrenewable merchantable products extracted from the surface or
15 subsurface of the state of Montana.

16 (4) "Total environment" means air, water, soil, flora, and fauna and the social, economic, and
17 cultural conditions that influence communities and individual citizens."

18
19 **Section 12.** Section 15-38-104, MCA, is amended to read:

20 **"15-38-104. Tax on mineral production.** (1) Except as provided in subsections (2) through (4), the
21 annual tax to be paid by a person engaged in or carrying on the business of mining, extracting, or producing
22 a mineral is \$25, plus an additional amount computed on the gross value of product that was derived from
23 the business work or operation within this state during the calendar year immediately preceding at the rate
24 of 1/2 of 1% of the amount of gross value of product at the time of extraction from the ground, if in excess
25 of \$5,000. Unless otherwise provided in a contract or lease, the pro rata share of any royalty owner or
26 owners may be deducted from any settlements under the lease or leases or division of proceeds orders or
27 other contracts.

28 (2) The annual tax to be paid by a person engaged in or carrying on the business of mining,
29 extracting, or producing:

30 (a) talc is \$25 plus an additional amount computed on the gross value of product for talc derived

from the business work or operation within this state during the calendar year immediately preceding at the rate of 4%; and

(b) coal is \$25 plus an additional amount computed on the gross value of product for coal produced in Montana during the calendar year immediately preceding at the rate of 0.4%.

(3) The annual tax to be paid by a person engaged in or carrying on the business of mining, extracting, or producing vermiculite is \$25 plus an additional amount computed on the gross value of product for vermiculite derived from the business work or operation within this state during the calendar year immediately preceding at the rate of 2%.

(4) The annual tax to be paid by a person engaged in or carrying on the business of mining, extracting, or producing limestone for the production of quicklime is \$25 plus an additional amount computed on the gross value of product for limestone derived from the business work or operation within this state during the calendar year immediately preceding at the rate of 10%.

(5) The annual tax to be paid by a person engaged in or carrying on the business of mining, extracting, or producing industrial garnets and associated byproducts is \$25 plus an additional amount computed on the gross value of product for industrial garnets and associated byproducts derived from the business work or operation within this state during the calendar year immediately preceding at the rate of 1% on the gross value of product in excess of \$2,500."

NEW SECTION. Section 13. Codification instructions. (1) [Section 1] is intended to be codified as an integral part of Title 15, chapter 23, part 5, and the provisions of Title 15, chapter 23, part 5, apply to [section 1].

(2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 38, part 1, and the provisions of Title 15, chapter 38, part 1, apply to [section 2].

NEW SECTION. Section 14. Effective date -- retroactive applicability. [This act] is effective on passage and approval and applies retroactively, within the meaning of 1-2-109, to tax years beginning after December 31, 1994.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0407, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: An act establishing the value of industrial garnets and associated byproducts for net proceeds property tax purposes and for resource indemnity trust tax purposes; establishing a specific resource indemnity trust tax rate for industrial garnets and associated byproducts; and providing an immediate effective date and a retroactive applicability date.

FISCAL IMPACT:

Expenditures:

There is no impact to department expenditures under the proposed legislation.

Revenues:

There are currently no mines producing industrial garnets in Montana. The information is not available to accurately determine any revenue impacts to the Resource Indemnity and Groundwater Assessment Tax or the Mines Net Proceeds taxes.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

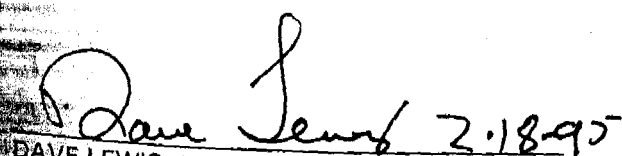
The proposed legislation would affect local revenues under the Mines Net Proceeds Tax should future production including industrial garnets occur; however, the extent of any impacts cannot be estimated with the available data.

TECHNICAL NOTES:

The proposed legislation does not clearly define byproducts from industrial garnet mining. As the legislation reads, other minerals or metals which are currently taxed separately could be considered as byproducts of industrial garnet mining. A specific definition of "byproducts" in the proposed legislation would reduce administrative and taxpayer confusion as well as avoid potential legal complications.

"Tax year" and "production year" are not the same with regard to natural resource taxes. The bill has a retroactive applicability date for tax years after December 31, 1994. Production from calendar year 1994 would be taxable under the proposed legislation, because it is taxable in tax year 1995. If the intent of the bill is to apply to production occurring after December 31, 1994, the retroactive applicability date should be changed to read "to production years beginning after December 31, 1994".

The proposed legislation arbitrarily sets the gross value of industrial garnets at \$20 per ton of "rougher garnet concentrate". The department has no basis on which to judge whether \$20 per ton is a realistic gross value for industrial garnets in relation to valuations used for other minerals subject to the Mines Net Proceeds Tax.


DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

CHARLES SWYSGOOD, PRIMARY SPONSOR DATE
Fiscal Note for SB0407, as introduced.

SB 407

SENATE TAXATION

Page

- BILL NO - REFERRED - HEARING - OTHER CONSIDERATION DATES - EXECUTIVE ACTION/DATE/VOTE - REREFERRED - DATE READ

SB0383	TVEIT, LARRY	2/13	3/10	REVISE DISTRIBUTION OF OIL AND GAS PRODUCTION TAXES BASED ON LIABILITY	TABLED ON 03/24	VOTE:	TAXATION	
SB0383	TVEIT, LARRY	3/27		REVISE DISTRIBUTION OF OIL AND GAS PRODUCTION TAXES BASED ON LIABILITY	TABLED ON 03/24	VOTE:		
SB0397	ECK, DOROTHY	2/14	3/03	EXEMPT FROM TAXATION CERTAIN PROPERTY LEASED BY PUBLIC CHARITIES	DO PASS	3/3	VOTE:	3/03
SB0404	STANG, BARRY	2/15	3/07	EXCLUDE CERTAIN ALLOCATIONS OF NATURAL GAS COMPANIES FROM CLASS 9 PROPERTY	TABLED ON 03/07	VOTE:		
SB0407	SWYSGOOD, CHUCK	2/16	3/07	ESTABLISH VALUE OF INDUSTRIAL GARNETS FOR NET PROCEEDS AND RITT PURPOSES	PASS AS AMENDED	3/8	VOTE:	3/09
SB0412	GROSFIELD, LORENTS	2/17	3/10	GENERALLY REVISE THE TAXATION OF OIL AND NATURAL GAS PRODUCTION	PASS AS AMENDED	3/13	VOTE:	3/15
SB0413	FORRESTER, GARY	2/17	3/09	REVISE THE TAXATION OF CLASS EIGHT PROPERTY BY COMBINING IT IN CLASS FOUR	TABLED ON 03/22	VOTE:		
SB0414	BROWN, BOB	2/21	3/14	PROVIDE TAX CREDIT FOR CONTRIBUTION TO COMMUNITY FOUNDATION	PASS AS AMENDED	3/17	VOTE:	3/18
SB0417	KEATING, TOM	2/21	3/09	REDUCE TAX RATE ON BUSINESS EQUIPMENT FROM 9% TO 6% PHASED-IN OVER 3 YEARS	DO PASS	3/22	VOTE:	3/22
SB0418	GAGE, DELWYN	3/03	3/15	INCORPORATE TAX BENEFIT RULE UNDER MONTANA INDIVIDUAL INCOME TAX	PASS AS AMENDED	3/17	VOTE:	3/18
SB0419	GAGE, DELWYN	3/10	3/16	EXEMPT FROM TAXATION INCOME EARNED BY ENROLLED MEMBER OF ANY INDIAN TRIBE	DO PASS	3/21	VOTE:	3/21
SB0420	LYNCH, J. D.	3/10	3/17	JOB CREATION INCOME AND CORPORATE TAX CREDIT	TABLED ON 03/23	VOTE:		

MINUTES

**MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN GERRY DEVLIN, on March 7, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Sen. Gerry Devlin, Chairman (R)
Sen. Mike Foster, Vice Chairman (R)
Sen. Mack Cole (R)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John G. Harp (R)
Sen. Dorothy Eck (D)
Sen. Barry "Spook" Stang (D)
Sen. Fred R. Van Valkenburg (D)

Members Excused: None

Members Absent: None

Staff Present: Jeff Martin, Legislative Council
Renée Podell, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 407, SB 404
Executive Action: SB 404

HEARING ON SB 407

Opening Statement by Sponsor:

SEN. CHUCK SWYSGOOD, SD 17, Dillon, explained SB 407 establishes value for industrial garnets. He stated this bill is fashioned after the 1989 talc bill. SEN. SWYSGOOD commented the result of the 1989 bill was the \$7 million expansion of the talc mine in Dillon, and the mine is currently underway with another major expansion. He said the garnet industry is a new venture that is scheduled to start mining this summer. SEN. SWYSGOOD

acknowledged he didn't sign the fiscal note because there were a few things on the note he wasn't completely satisfied with. He remarked **Don Hoffman** from the Department of Revenue was in attendance and can clarify some of his concerns regarding the \$20.00 a ton figure. He asked the committee to make a change in the technical note in regard to inserting the language "production year" instead of "taxable year".

Proponents' Testimony:

Dennis Burr, Montana Taxpayers Association, commented he has been involved in several bills changing net proceeds on minor minerals that are mined in Montana. He stated the changes are beneficial both to local governments and to the industry. He acknowledged the changes allow the industry to plan for the future.

Hugh Moore, Assistant Manager, Cominco American, stated this particular program is as much a reclamation program from the permitting standpoint as it is anything else. He said this project costs close to \$8 million to get setup. He stated it has the potential of bringing in major dollars in net proceeds tax base.

Martin Dippold, Cominco American, concurred with the proponents. He stated this will spawn small minor operations where the concentrates will be purchased from small units in the area.

SEN. TOM BECK, SD 28, acknowledged he supports this legislation to keep jobs in this particular area.

Opponents' Testimony:

None

Informational Testimony:

None

Questions From Committee Members and Responses:

SEN. DELWYN GAGE asked **Mr. Hoffman** if the committee would be wise to put a minimum tonnage in the bill. **Mr. Hoffman** stated that would be a good idea.

SEN. GAGE asked **Mr. Moore** if he had an idea of a minimum to put into the bill. **Mr. Moore** stated for his purposes he will be in the plus 10,000 range of production and 500 tons will be a smaller operation than most.

SEN. DOROTHY ECK questioned **Mr. Moore** in regard to what happened with gem quality garnets. **Mr. Moore** said one intent of this particular bill is to cover the garnets as a by-product.

SEN. ECK commented the mining industry wanted the net proceeds process to be abandoned. She stated at the federal level there is a move to change from gross to net. She asked Mr. Hoffman what that move does to Montanans. Mr. Hoffman said he wasn't familiar enough with what the federal government is doing. He stated in terms of Montanans administering the taxes for natural resources in Montana, moving away from the net proceeds has made it easier for the DOR. Mr. Hoffman explained four staff employee positions in the Natural Resources Division has been eliminated because it cuts down on administration. CHAIRMAN DEVLIN acknowledged Mr. Dippold who asked to clarify a comment made by SEN. ECK. Mr. Dippold said the changes proposed by the federal government deals primarily with metals rather than non-metals.

SEN. GAGE asked Mr. Hoffman to respond to the issue discussed by SEN. SWYSGOOD in regard to the technical note. Mr. Hoffman stated an issue was made of the \$20.00 per ton in the fiscal note because at the time the department didn't have enough time to do research on it. He said research was conducted and \$20.00 is in range for industrial garnets.

Closing by Sponsor:

SEN. SWYSGOOD stated this is a win, win situation not only for the DOR but for the businesses of Montana that are trying to comply with the net proceeds law. He acknowledged this didn't give a tax break to anybody, it just establishes a tax rate and it is increased yearly by the consumer price index. SEN. SWYSGOOD stressed the hardest part of the situation was arriving at the base amount. He explained every operation had a different value of production. He requested the committee give approval of this bill.

CHAIRMAN DEVLIN asked SEN. SWYSGOOD to work with Mr. Hoffman, and the mine producers in attendance to figure out tonnage on a minimum type operation. He asked SEN. SWYSGOOD to bring an amendment back to the committee.

HEARING ON SB 404

CHAIRMAN DEVLIN stated SEN. BARRY "SPOOK" STANG has indicated he would prefer SB 404 be tabled.

SEN. STANG commented the people who requested he present the bill have decided to approach the issue in a different manner.

EXECUTIVE ACTION ON SB 404

Motion/Vote: SEN. STANG MOVED SB 404 BE TABLED. MOTION CARRIED UNANIMOUSLY.

**MONTANA SENATE
1995 LEGISLATURE
TAXATION COMMITTEE**

ROLL CALL

DATE March 7, 1995

[illegible]

SEN:1995
wp.rollcall.man
CS-09

DATE March 7, 1995

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SB 404 Senator Stang
SB 407 Senator Surysgood

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PLEASE PRINT

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Check One

Name	Representing	Bill No.	Support	Oppose
Hugh Moore	Cominco American	407	X	
Martin Dippold	Cominco American	407	X	
Dennis Burr	MONTAX		✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

on the state general fund and local government funds. He asked Mr. Akey how he can justify taking a program that is needed, and charge state general funds and local government funds instead of charging the industry, which is where the problem arises from. Mr. Akey responded he questions the premise upon which SEN. GROSFIELD'S question is based upon. He said a study was conducted in South Dakota and legalization of gambling actually caused a reduction in pathological gamblers. Mr. Akey commented in 1987, when the state went from a flat fee on the machines to a 15% tax, state and local governments stated they would use part of the money to address the social consequences of gambling. He acknowledged they never did what they said they would do and that isn't the fault of the industry. Mr. Akey affirmed the state and local governments do have a responsibility to take a share of the revenues to do what they said they would do in 1987.

Closing by Sponsor:

SEN. PIPINICH reported in the original bill the local governing bodies were suppose to set up the program. He stated this isn't enough money but it is a start.

{Tape: 2; Side: 1; Second Tape Inserted.}

EXECUTIVE ACTION ON HB 287

Motion: SEN. VAN VALKENBURG MOVED HB 287 BE CONCURRED IN.

Discussion: SEN. VAN VALKENBURG commented he has been giving the Department of Revenue a hard time for the last three sessions about the fact they continue to have over \$20 million of bad debt which they are unable to collect. He stated this bill will help them collect it.

Vote: MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON SB 407

Motion: SEN. MIKE FOSTER MOVED TO ADOPT AMENDMENTS (sb040701.ajm).

Discussion: SEN. VAN VALKENBURG asked if discussion in regard to the 1,000 ton limit has taken place. CHAIRMAN DEVLIN asked Mr. Hoffman to discuss the limit. Mr. Hoffman stated during the course of the hearing the discussion started with 2,500 tons. He explained 1,000 tons times the \$20.00 figure (first year the rate is applied within the law) times 200 mills is about \$4,000.00 in tax for a small operation.

SEN. ECK asked Mr. Hoffman what rougher garnet concentrate is. Mr. Hoffman replied it is a state-of-the-art term. He explained different quality of garnets are used as an abrasive. SEN. ECK asked Mr. Hoffman when purchasing a bucket of gravel is it

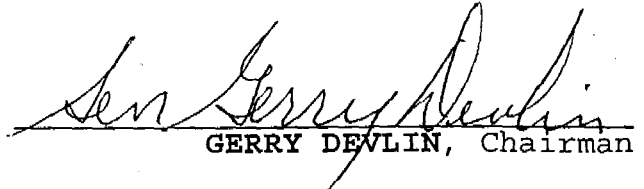
concentrate or from the garnet heap. Mr. Hoffman commented it is considered concentrate.

Vote: MOTION CARRIED UNANIMOUSLY ON THE AMENDMENTS.

Motion/Vote: SEN. FOSTER MOVED DO PASS AS AMENDED ON SB 407.
MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 10:15 a.m.


GERRY DEVLIN, Chairman


RENEE J. PODELL, Secretary

GD/rp

**MONTANA SENATE
1995 LEGISLATURE
TAXATION COMMITTEE**

ROLL CALL

DATE _____

March 18, 1995

[illegible]

SEN:1995

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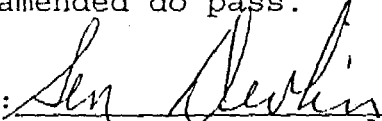
CS - 09

SENATE STANDING COMMITTEE REPORT

Page 1 of 2
March 8, 1995

MR. PRESIDENT:

We, your committee on Taxation having had under consideration SB 407 (first reading copy -- white), respectfully report that SB 407 be amended as follows and as so amended do pass.

Signed: 
Senator Gerry Devlin, Chair

That such amendments read:

1. Title, line 6.

Following: "PURPOSES;"

Insert: "EXEMPTING 1,000 TONS OF ROUGHER GARNET CONCENTRATE,
UNDER CERTAIN CONDITIONS, FROM THE NET PROCEEDS TAX;"

2. Page 1, line 15.

Following: the first "value"

Insert: "-- exemption"

3. Page 2, line 3.

Strike: "1995"

Insert: "1996"

4. Page 2, line 4.

Strike: "1996"

Insert: "1997"

5. Page 2, line 6.

Strike: "1991"

Insert: "1995"

6. Page 2, line 12.

Following: line 11

Insert: "(3) For the purposes of this section, "associated byproducts" means gold, silver, copper, lead, or any other mineral or precious or semiprecious gems or stones that are produced, processed, and sold in conjunction with the mining and processing of industrial garnets.

(4) A person who produces and sells associated byproducts subject to taxation under this section is not required to file a statement or pay the tax on the associated byproducts under Title 15, chapter 23, part 8, or under Title 15, chapter 37, part 1.

(5)(a) Except as provided in subsection (5)(b), a person is not liable for the net proceeds tax on 1,000 tons or less of rougher garnet concentrate, including the value of associated byproducts, produced and sold in a calendar year.

(b) A person who produces and sells more than 1,000 tons of

 Amd. Coord.

 Sec. of Senate

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rougher garnet concentrate in a calendar year is liable for the net proceeds tax on all rougher garnet concentrate, including the value of associated byproducts, produced and sold in the calendar year."

7. Page 9, line 26.

Strike: "tax"

Insert: "production"

-END-

HOUSE TAXATION

Page 10

- BILL NO - REFERRED - HEARING - OTHER CONSIDERATION DATES - EXECUTIVE ACTION/DATE/VOTE - REREFERRED - DATE READ

SB0338	JERGESON, GREG	EXEMPT FROM SEVERANCE TAX OIL AND GAS PRODUCED BY WELL DRILLED AFTER 3/31/95	3/24	3/31	CONCUR AS AMENDED	VOTE:	4/06
SB0358	HALLIGAN, MIKE	REVISE INCOME AND CORPORATE TAX CREDIT POLICY FOR RECYCLING OF MATERIAL	3/21	3/30	CONCUR AS AMENDED	VOTE:	4/06
SB0390	JERGESON, GREG	DECREASE CERTAIN MOTOR VEHICLE REGISTRATION FEES	3/25	3/31	TABLED ON 04/04	VOTE:	
SB0393	AKLESTAD, GARY	CLARIFY REQUIREMENTS FOR CLASS ACTION REGARDING TAXES	2/20	3/08	CONCUR	VOTE:	3/10
SB0397	ECK, DOROTHY	EXEMPT FROM TAXATION CERTAIN PROPERTY LEASED BY PUBLIC CHARITIES	3/09	3/22	CONCUR	VOTE:	3/30
SB0407	SWYSGOOD, CHUCK	ESTABLISH VALUE OF INDUSTRIAL GARNETS FOR NET PROCEEDS AND RITT PURPOSES	3/14	3/22	CONCUR	VOTE:	3/30
SB0409	HARGROVE, DON	ALLOW ACCREDITED NONPUBLIC SCHOOL BUSES TO USE DYED FUEL FOR SOME PURPOSES	3/17	3/23	CONCUR AS AMENDED	VOTE:	4/06
SB0412	GROSFIELD, LORENTS	GENERALLY REVISE THE TAXATION OF OIL AND NATURAL GAS PRODUCTION	3/21	3/30	CONCUR	VOTE:	4/06
SB0414	BROWN, BOB	PROVIDE TAX CREDIT FOR CONTRIBUTION TO COMMUNITY FOUNDATION	3/28	4/03	TABLED ON 04/05	VOTE:	
SB0417	KEATING, TOM	REDUCE TAX RATE ON BUSINESS EQUIPMENT FROM 9% TO 6% PHASED-IN OVER 3 YEARS	3/28	4/04	CONCUR AS AMENDED	VOTE:	4/06
SB0418	GAGE, DELWYN	INCORPORATE TAX BENEFIT RULE UNDER MONTANA INDIVIDUAL INCOME TAX	3/28	3/30	CONCUR	VOTE:	3/30
SB0419	GAGE, DELWYN	EXEMPT FROM TAXATION INCOME EARNED BY ENROLLED MEMBER OF ANY INDIAN TRIBE	3/28	4/03	TABLED ON 04/05	VOTE:	

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN CHASE HIBBARD, on March 22, 1995, at
8:00 A.M.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Marian W. Hanson, Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. Jim Elliott (D)
Rep. Daniel C. Fuchs (R)
Rep. Hal Harper (D)
Rep. Rick Jore (R)
Rep. Judy Murdock (R)
Rep. Thomas E. Nelson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Roger Somerville (R)
Rep. Robert R. Story, Jr. (R)
Rep. Emily Swanson (D)
Rep. Jack Wells (R)
Rep. Kenneth Wennemar (D)

Members Excused:

Rep. John C. Bohlinger (R)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Council
Donna Grace, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 407
SB 397
HB 598
HB 601

Executive Action: HB 590 - Do Pass as Amended
SB 138 - Concur as Amended
HB 598 - Do Pass
HB 601 - Do Pass as Amended
HB 582 - Tabled

{Tape: 1; Side: A.}

HEARING ON SB 407

Opening Statement by Sponsor:

SEN. "CHUCK" SWYSGOOD, Senate District 17, Dillon, presented SB 407, a bill to establish the value of industrial garnets and associated byproducts for the net proceeds tax. Garnets were omitted from the legislation passed in 1991. None are mined in Montana at the present time but they expect to start this year. The bill establishes the price at \$20 per ton and the price will increase yearly in relation to the Consumer Price Index. At the request of the Department of Revenue, producers of less than 1,000 tons would be exempt. He said the Department of Revenue (DOR) supported the bill in the Senate.

Proponents' Testimony:

Dennis Burr, Montana Taxpayers Association, rose in support of SB 407. He said that over the years it has become apparent that the net proceeds concept does not work well for local governments or for companies. This is one of the last net proceeds tax laws on the books. The problem for local governments in the past has been unpredictability of revenue and in some years there is a lot of overburden to remove which drives up expenses and there is nothing left to go on the tax rolls. The changes that have been made have not reduced anyone's tax. The bill will make tax collections predictable for local government and tax projections predictable for companies and the changes will be beneficial to both entities. He urged the Committee to support SB 407.

High Moore, Cominco American, said his company will be entering the industrial garnet mining business in the Alder area. The project will be reclamation and mining of the old Alder gold mining areas. Industrial garnets have become very useful for industrial purposes to replace silica which produces health hazards. He asked for the Committee's favorable support.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. ELLIOTT asked for a broader explanation of the use of garnets. Mr. Moore said sandblasting is the primary use. Another use is filtration of water systems.

Closing by Sponsor:

SEN. SWYSGOOD thanked the Committee for the hearing. He said he was attempting to bring one of the last net proceeds taxes into the same realm as the others. He explained that the operation at

Alder will also include a reclamation project. He said he would appreciate the Committee's support.

HEARING ON SB 397

Opening Statement by Sponsor:

SEN. DOROTHY ECK, Senate District 15, Bozeman, said the Legislature had passed a bill that allowed for taxation of governmental entities that are rented out for profit. At the time the bill was passed, the Legislature was looking at federal property. The City of Bozeman has leased two houses for use in the homeless program and found they were receiving a large tax bill. The bill would allow property leased from a governmental property by a non-profit institution for charitable purposes to be tax exempt. She said this was a worthwhile bill and would allow the use of leased property for charitable purposes.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. WELLS asked if only two properties were involved. SEN. ECK said there were only two at the present time but the properties come up quite often. They are negotiating for the use of the old Army Reserve building at the present. REP. WELLS asked what was meant by a "minimal" fiscal note. SEN. ECK said it was about \$3,600.

REP. STORY asked how "public charities" was defined. SEN. ECK said it is in the section of the law that defines tax exempt property. She said it had been suggested that Revenue Oversight might want to look at the issue.

REP. ROSE asked if this would create competition with private ownership in the Bozeman area. SEN. ECK said competition in Bozeman is almost non-existent but, even if it weren't, there is always a need for taking care of people in need and Bozeman is noted for not having a homeless program.

REP. HARPER asked if the property is used solely for charitable purposes. REP. ECK said it was. The DOR has looked at the bill carefully.

HOUSE OF REPRESENTATIVES

Taxation

ROLL CALL

DATE 3/22/95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Chase Hibbard, Chairman	✓		
Rep. Marian Hanson, Vice Chairman, Majority	✓		
Rep. Bob Ream, Vice Chairman, Minority	✓		
Rep. Peggy Arnott	✓		
Rep. John Bohlinger			
Rep. Jim Elliott	✓		
Rep. Daniel Fuchs	✓		
Rep. Hal Harper	✓		
Rep. Rick Jore	✓		
Rep. Judy Rice Murdock	✓		
Rep. Tom Nelson	✓		
Rep. Scott Orr	✓		
Rep. Bob Raney	✓		
Rep. Sam Rose	✓		
Rep. Bill Ryan			
Rep. Roger Somerville	✓		
Rep. Robert Story	✓		
Rep. Emily Swanson	✓		
Rep. Jack Wells	✓		
Rep. Ken Wennemar	✓		

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Taxation COMMITTEE BILL NO. SB 407
 DATE 3/22/95 SPONSOR(S) Sen. Sumpgood

PLEASE PRINT

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
<u>Hugh Moore</u>	<u>Cominco American Inc</u>	<u>407</u>		<u>X</u>

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By CHAIRMAN CHASE HIBBARD, on March 30, 1995, at
8:00 a.m.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Marian W. Hanson, Vice Chairman (Majority) (R)
Rep. Robert R. "Bob" Ream, Vice Chairman (Minority) (D)
Rep. Peggy Arnott (R)
Rep. John C. Bohlinger (R)
Rep. Jim Elliott (D)
Rep. Daniel C. Fuchs (R)
Rep. Hal Harper (D)
Rep. Judy Murdock (R)
Rep. Thomas E. Nelson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. John "Sam" Rose (R)
Rep. William M. "Bill" Ryan (D)
Rep. Roger Somerville (R)
Rep. Robert R. Story, Jr. (R)
Rep. Emily Swanson (D)
Rep. Jack Wells (R)
Rep. Kenneth Wennemar (D)

Members Excused:

Rep. Rick Jore (R)

Members Absent: None.

Staff Present: Lee Heiman, Legislative Council
Donna Grace, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 358
SB 336
SB 412
SB 418

Executive Action: SB 418 - Concurred In
SB 412 - Discussion Only
SB 407 - Concurred In
SB 397 - Concurred In
SB 161 - Discussion Only

Vote:

On a voice vote, the motion passed unanimously.

EXECUTIVE ACTION ON SB 412

Motion:

REP. ROSE MOVED THAT SB 412 BE CONCURRED IN.

Discussion:

REP. REAM said another bill would be coming before the Committee and he wondered how that bill would fit with SB 412.

Mr. Heiman advised that all the other bills have coordinating instructions to SB 412 and make it easy to understand the relationship. This bill will stand whether the other bills are passed or not.

REP. ELLIOTT said it would affect the fiscal note. Mr. Heiman explained that the fiscal impact is determined independently and when the bill is codified by the Council, it will be coordinated with this bill.

REP. ELLIOTT requested that action on this bill be postponed until Sen. Jergeson's bill is heard.

REP. REAM asked Judy Paynter of the DOR to prepare a table including columns for the stripper bill and the Jergeson bill which would show the fiscal impact on one chart. Ms. Paynter said she could provide that information.

REP. ROSE WITHDREW HIS MOTION.

CHAIRMAN HIBBARD announced that further action would be delayed until SB 313 had been heard before the Committee.

EXECUTIVE ACTION ON SB 407

Motion:

REP. ARNOTT MOVED THAT SB 407 BE CONCURRED IN.

Discussion:

There was no discussion on the bill.

Motion/Vote:

On a voice vote, the motion passed unanimously.

HOUSE OF REPRESENTATIVES

Taxation

ROLL CALL

DATE March 30, 1995

NAME	PRESENT	ABSENT	EXCUSED
Rep. Chase Hibbard, Chairman	✓		
Rep. Marian Hanson, Vice Chairman, Majority	✓		
Rep. Bob Ream, Vice Chairman, Minority	✓		
Rep. Peggy Arnott	✓		
Rep. John Bohlinger	✓		
Rep. Jim Elliott	✓		
Rep. Daniel Fuchs	✓		
Rep. Hal Harper	✓		
Rep. Rick Jore			✓
Rep. Judy Rice Murdock	✓		
Rep. Tom Nelson	✓		
Rep. Scott Orr	✓		
Rep. Bob Raney	✓		
Rep. Sam Rose	✓		
Rep. Bill Ryan	✓		
Rep. Roger Somerville	✓		
Rep. Robert Story	✓		
Rep. Emily Swanson	✓		
Rep. Jack Wells	✓		
Rep. Ken Wennemar	✓		



HOUSE STANDING COMMITTEE REPORT

March 30, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Taxation report that Senate Bill 407 (third reading copy -- blue) be concurred in.

Signed: Chase Hibbard
Chase Hibbard, Chair

Carried by: Rep. Oh:

Committee Vote:
Yes 19, No 0.

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Proxy

SB 397

No

SB 407

yes

SB 409

yes

SB 161

yes

Daniel Fuchs